

July 31, 2014

VIA ELECTRONIC DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Room TWA325
Washington, DC 20554

**Re: Notice of *Ex Parte* Presentation
CG Docket No. 02-278**

Dear Ms. Dortch:

On July 29, 2014, the following individuals met with Mark Stone, Kurt Schroeder, Aaron Garza, Kristi Lemoine and John Adams from the Commission's Consumer & Governmental Affairs Bureau ("Bureau") to discuss issues relating to pending petitions before the Commission that address impediments to contacting consumers, particularly student loan borrowers, through their cell phones.

- Shelly Repp, Senior Advisor and former President of the National Council of Higher Education Resources (NCHER);
- Lawrence Laskey, Vice President and General Counsel, Windham Professionals;
- Balaji Rajan, President and Chief Executive Officer, Cennate Corp.;
- Shawn Traudt, Director, Enterprise Compliance, Nelnet;
- Sean Devere, Vice President, Government Relations, NCHER;
- Alex Nock, Executive Vice President, Penn Hill Group (on behalf of NCHER);
- Tim Fitzgibbon, Senior Vice President, NCHER (participated by phone).

Separately, the same individuals (minus Alex Nock) met with Amy Bender, advisor to Commissioner O'Rielly.

Both meetings covered essentially the same topics, the substance of which is summarized below.

All of the attendees NCHER brought to the meeting are interested in the issues raised by the petitions because they impact student loan servicing and collection. NCHER is a trade association representing a nationwide network of lenders, secondary markets, guaranty agencies, loan servicers, collection agencies and others involved in the administration and servicing of federal and private education loans. Our objective was to point out how student loan lenders, servicers and collectors can help student loan borrowers and how the current legal environment unnecessarily impairs their ability to do so.

Courts have created unacceptable risks for student loan lenders, servicers and collectors seeking to use modern technology in contacting student loan borrowers on their cell phones by moving toward an unsupportable, expansive view of what constitutes an “automatic telephone dialing system” to encompass all means by which informational calls are placed to borrowers if those means include use of a system which possesses automated dialing capability, even if that capability is not used and even where there is human intervention in the dialing process. Taking this approach to its logical conclusion, even manually dialed calls if routed through a dialing system could be ensnared in the Telephone Consumer Protection Act (TCPA) restrictions.¹ In this case, the only way to avoid liability would be to purchase an entirely separate PBX system for manually dialed calls, an unnecessary, wasteful expense.

We pointed out that, according to a recent Centers for Disease Control and Prevention study², 57.1% of all American households now are either exclusively or predominantly wireless, and that the percentage is even higher for those in age brackets more likely to have student loans. We also mentioned that many in this generation do not read their mail (even assuming student loan providers have a valid current address where they can be reached), or email. In fact, texting is the preferred mode of communication for young adults. We pointed out that one cannot text to a wireline device, only to cell phones. Contacting the borrowers through their cell phones is simply the best way to reach them. It also should be pointed out that there is not a practicable way to “manually” text.

Through the use of preview dialers, predictive dialers and similar modern technology, contacting borrowers is far more efficient and effective than manual dialing, allowing staff to be much more productive as they help borrowers, and to do so more timely (i.e. prior to default). The use of modern technology should be encouraged, not discouraged. With regard to the efficiency argument, we specifically referred to a comment made by consumer advocates in a June 6, 2014 Ex Parte Presentation to the Commission.³ The submission states that predictive calling makes three times as many calls for the same number of agents as pre-view mode dialing and that therefore “[i]n other words, it drops 3 calls for every 1 that is ultimately connected.” This is totally wrong. The reason why predictive dialing is more efficient is because it eliminates the time it takes the agent to dial a number and ringing time (particularly where there is no answer). The dialer reduces this non-productive time. Predictive dialers also help ensure better compliance with applicable consumer protection laws, such as those containing calling time restrictions, and eliminate the possibility of misdialled numbers.

Around 90% of all outstanding student loans were made under the federal student loan programs. We explained how these programs have features that should help most borrowers avoid default and, for those that do default, help them rehabilitate their defaulted loan and clear their credit record of the default. Shawn Traudt, who works for one of the four major student loan servicers that have servicing contracts with the U.S. Department of Education to service federal Direct Student Loans, pointed out that student loan servicing is relationship based. Servicers can offer deferments (which in many cases are federally subsidized), extended and graduated repayment plans, and forbearances. Income based repayment (IBR) plans which take ability to pay into consideration are also now available. Depending on a borrower’s income, required monthly payments can be as low as zero dollars. According to a White House release, the Department of Education is redoubling its effort to identify who may be struggling to repay and to provide them with timely information about options to

¹ See for example *Lardner v. Diversified Consultants Inc.* (S. Dist. FL. – 2013; Case No. 1:13 cv 22751).

² *Wireless Substitution: Early Release of Estimates from the National Health Interview Survey, July-December 2013*, Centers for Disease Control and Prevention, U.S. Department of Health and Human Services (July 2014).

³ Notice of Ex Parte Presentation by National Consumer Law Center (NCLC) dated June 6, 2014, p. 2.

help them avoid or get out of default.⁴ The challenge in all cases is to reach borrowers to present them with the available options. If loan servicers can talk to a borrower they can almost always find a solution to avoid default. However, many distressed borrowers simply refuse to open their mail, which means unless contact is made through other means the loans will progress to default through the borrowers' passivity or an inability to reach them through other means. We believe everyone understands that defaults on federal student loans have negative consequences and should be avoided, but for the record these consequences can include a negative credit rating, offset of tax refunds and federal benefits and wage garnishment. Also, borrowers need to reapply for an IBR repayment plan each year. To ensure borrowers reapply, it's necessary in many cases to conduct a calling campaign.

We pointed out that Department of Education rules require student loan servicers to attempt to reach borrowers on their phones. Bureau officials asked for more information on this. In response, we point to Department of Education regulations governing the Federal Family Education Loan Program (FFELP). Over \$300 billion in these loans, the old guaranteed loan program, remain outstanding. The regulations require holders or their servicers to make at least four diligent attempts to contact the delinquent borrower by telephone over the 180 day delinquency cycle.⁵ As stated, this is a minimum requirement, and most participants make more attempts. With regard to skip-tracing, the FFELP regulations state that within 10 days of receipt of information indicating that the lender does not know the borrower's current address, the servicer must begin to diligently attempt to locate the borrower through effective commercial skip-tracing techniques, which efforts must include, but are not limited to, sending a letter to or making a diligent effort to contact each endorser, relative, reference, individual or entity identified in the loan file.⁶ One way to reach these individuals is by phone. Once contact information for the borrower is obtained, the FFELP regulations require that at least two diligent efforts be made to contact the by telephone.⁷ We understand that the Department of Education's contracts for servicing federal Direct Loans state that servicers at a minimum shall follow guidance provided in FFEL 682.411 regulations for due diligence efforts. This includes, but is not limited to, delinquency, final demand, skip-tracing, and collection activities.

To show the benefits to borrowers, we referred to a study prepared by a respected and independent economist that found that assuming the current rate of growth in cell phone usage, over the next ten years nearly 12 million student loan borrowers will avoid the painful and costly consequences of default if their loan servicers are able to contact them using predictive dialing technology.⁸ We said that even if this projection is off by a wide margin, the number of borrowers who could benefit from the requested change would be substantial.

Borrower advocates argue that studies have shown that the major causes of serious consumer delinquency are unemployment, illness and marital problems.⁹ We agree that these events can cause defaults. However, IBR with its "ability to pay" repayment schedule is an available tool to help these distressed borrowers.

Borrowers who have defaulted can "rehabilitate" their loans by making 9 timely monthly payments over a ten month period. Required payments must be "reasonable and affordable" payments. Under Department of

⁴ Taking Action: Higher Education and Student Debt, The Domestic Policy Council and The Council of Economic Advisors, June 10, 2014.

⁵ See 34 CFR 682.411(d)(1).

⁶ See 34 CFR 682.411(h).

⁷ See 34 CFR 682.411(d)(3).

⁸ Modifying the TCPA to Improve Services to Student Loan Borrowers and Enhance Performance of Federal Loan Portfolios, Prepared by Judy Xanthopoulos, PhD., Quantria Strategies, LLC (July 2013). A summary of the study's findings is included in the attachments.

⁹ NCLC Ex Parte Presentation dated June 6, 2014, p. 6.

Education regulations which became effective earlier this month, an IBR-like “ability to pay” formula must initially be used to establish the repayment schedule.¹⁰ The monthly payment can be as low as \$5. Borrower advocates were prime advocates of this regulatory change, and we would expect that they would agree that providing borrowers with information on the availability of loan rehabilitation on these terms would be welcome. As in the case of pre-default servicing, it usually is best to discuss the details and benefits of loan rehabilitation with the borrower.

Rohit Chopra, Assistant Director & Student Loan Ombudsman at the Consumer Financial Protection Bureau (CFPB), has stated in testimony before Congress that “Loan servicers are the primary point of contact on student loans for more than 40 million Americans. High-quality servicing can contribute to an individual borrower’s ability to successfully repay their debt, especially through enrollment into affordable repayment plans”.¹¹ We couldn’t agree more. However, servicers need an efficient way to perform their responsibilities. We stated at the meetings that the Department of Education’s servicers (the “TIVAS”) are paid no more than \$2.11 per account per month to service federal Direct Loans and that the only way to provide quality servicing under this compensation schedule is to use modern technology.

We were asked by Bureau officials about the use of social media by student loan participants. We responded that while social media is of some use, because of privacy concerns it does not provide an avenue to have an effective communication with a borrower over his or her particular situation.

We pointed out that for the last couple of years President Obama’s budget has included a proposal to provide authority to contact delinquent debtors on debt owed to or guaranteed by the United States via their cell phones using automatic dialing systems and prerecorded voice messages.¹² Federal student loans are a major portion of federal consumer debt. The budget proposal would allow the Commission to implement rules to protect consumers from being harassed and contacted unreasonably. NCHER supports the President’s proposal. We also mentioned that in 2010 the U.S. Department of the Treasury and the Department of Education had written to the Commission requesting that autodialer restrictions not apply to the servicing and collection of debts, or at least to the collection of federal debt including federal student loans, and that we understand that these views are unchanged.

We were asked by Bureau officials about borrowers who had provided consent to be contacted on their cell phones at the time they took out their loans. We indicated that for federal loans taken out beginning in 2009, the master promissory note contains a clause consenting to being contacted at the borrower’s current cellular telephone or any future number provided by the borrower using automated dialing equipment or artificial or prerecorded voice or text messages. However, if the borrower’s number changes (a common occurrence among the younger generation) the consent only applies if the subsequent number is provided by the borrower, rather than a third party (e.g. a reference). This can lead to serious issues for both the borrower and the servicer or collector. Also, for loans taken out prior to 2009, the loan documentation does not include a consent clause. We stated that loans where the borrower has not been contacted on their cell phones because cell phone consent is lacking are five times more likely to default.

At the meeting we also referred to the concern of consumer advocates that use of dialer technology will lead to harassment of borrowers. For example, one such group has said that if the definition of autodialer is

¹⁰ See 34 CFR 682(b)(1)(i)(D), as published in the Federal Register on November 1, 2013 (78 Fed. Reg. 65815).

¹¹ Testimony of Rohit Chopra before the United States Senate Committee on the Budget, June 4, 2014.

¹² Fiscal Year 2015 Budget of the U.S. Government, Analytical Perspectives, p.123. Excerpt included in the attachments.

changed “[t]here will be no longer any limit on calls to cell phones”.¹³ We pointed out that this is untrue as there currently exist federal and state laws to prevent harassment. The Fair Debt Collection Practices Act (FDCPA) and similar state laws prohibit debt collectors from harassing borrowers. Using its authority to prohibit “unfair, deceptive and abusive” practices, the CFPB has signaled that it may apply many of the FDCPA rules to first party servicers and collectors. In any case, we indicated that NCHER stands willing to consider any additional reasonable consumer protections.

In summary, we asked that the Commission take action, either through a declaratory ruling or rulemaking, to clarify and confirm that calls placed through systems that may have, but do not use in placing the call, capacity to store or produce telephone numbers to be called, using a random or sequential number generator, do not fall within the definition of calls made through an automatic telephone dialing system under the TCPA, or at a minimum create an exception that would remove restrictions on contacting federal student loan borrowers on their cell phones using predictive dialers automated voice and/or text messaging and similar technology. We stated that this is an issue that cries out for clarification.

Respectfully submitted,



Sheldon Repp
Senior Advisor
National Council of Higher Education Resources

Attachments:

Summary of the Quantria Strategies Study
NCHER One-Pager on the TCPA Issue in the Student Loan Context
Excerpt for the President FY 2015 Budget

Cc: John Adams
Aaron Garza
Kristi Lemoine
Kurt Schroeder
Mark Stone
Amy Bender

¹³ NCLC Ex Parte Presentation dated June 6, 2014, p. 10.

Responsible Updates to the Telephone Consumer Protection Act Key to Borrower Success

It has been often reported that outstanding student loan debt now exceeds \$1 trillion dollars. The Consumer Financial Protection Bureau reports there are 37 million student loan borrowers and \$100 billion in past due accounts. Fair Isaac states that average borrower debt now exceeds \$27,000 and has increased 58% in the past seven years. The U.S. Department of Education's most recent three-year cohort default rate is 14.7 percent and rising. Clearly, Americans are in need of assistance in managing their student loan debt.

Unfortunately, outdated rules implementing the Telephone Consumer Protection Act (TCPA) are making it increasingly difficult to reach borrowers on their cellular telephones. The President's FY 2014 budget includes a proposal to modify the TCPA to allow the Federal government and its agents to use automatic dialing systems when contacting wireless phones in the collection of debt owed to or guaranteed by the United States. The proposal also directs the Federal Communications Commission to implement rules to protect consumers from being harassed and contacted unreasonably. NCHER supports the President's proposal, as do the U.S. Departments of Education and Treasury.

A new report prepared by an independent and well-respected economist and expert in federal budgeting demonstrates how the combination of increasing cell-phone-only (aka wireless) households, growing student loan indebtedness and outdated TCPA rules are creating the perfect storm to harm delinquent and defaulted student loan borrowers.

Following are just a few of the important highlights of the report.

- Nearly 20 million borrowers will fail to receive critically needed services over the next decade if the Department of Education, guaranty agencies, loan servicers, and their contractors are unable to use available technology to communicate with borrowers.¹
- Based on industry experience, *the use of predictive dialing technology increases contact success rates by 151 percent*. The Department of Education states that if their servicers and collectors can talk to a borrower, they can almost always resolve the delinquency or default using the tools Congress provides to help student loan borrowers.
- The use of borrower-friendly income-based repayment programs would increase significantly if technology can be used to reach more borrowers.
- Nearly 59 percent of delinquent student loan borrowers are 39 years of age or younger. An estimated 76 percent of these individuals have cell phones and more than 50% rely solely on their wireless devices.

¹ While the TCPA contains an exemption in cases where a wireless user provides prior express consent, the scope of this exemption has been challenged. The report assumes that a majority of borrowers will not provide consent. Even discounting the report's conclusions based on the assumption that half of all borrowers will provide consent, the benefits of a modification to the TCPA are still dramatic.

- Assuming the current rate of growth for cell phone usage, over the next ten years nearly 12 million student loan borrowers will avoid the painful consequences of default if their loan services are able to contact them using predictive dialing technology.
- Modification of the TCPA will help remove nearly 7.9 million borrowers from default status over the next ten years.²
- Under the reasonable assumption that the percentage of borrowers relying on cell phones for communication will continue to increase, an additional 1.7 million borrowers will languish in default if the TCPA is *not* changed. This represents the opportunity cost of inaction.

NCHER urges Congress to come to the aid of distressed student loan borrowers through modification to the TCPA that would permit the use of predictive dialer technology to contact borrowers on their cellular telephones. The unnecessary and significant costs of inaction are too high – for borrowers and taxpayers alike.

² As noted, modification of the TCPA will reduce the number of defaults. While the report does not factor in this effect, the number of additional borrowers assisted will still be sizable.

Help Borrowers Protect Their Credit and Recoup Debts Owed to Taxpayers

Provide authority to contact student loan borrowers via their cell phones

The Telephone Consumer Protection Act (TCPA) is being interpreted as prohibiting creditors and their servicers and collectors from using any automatic telephone dialing system, including predictive dialers, or prerecorded messages to contact borrowers on their cellular phones.

- No similar prohibition restricts informational, non-telemarketing calls to borrowers on land-line telephones or by manually-dialed calls to cellular phones.
- Current law has not kept pace with the needs of a new and growing class of borrowers, who are increasingly moving away from traditional land-line telephones in favor of cellular telephones. According to a recent Center for Disease Control (CDC) study, 57.1% of all American households now are either exclusively or predominantly wireless.
- Servicers should be able to reach out to federal student loan borrowers to provide information about the various loan features available to assist them under federal law and to provide early delinquency contacts designed to assure the understanding of their loan obligations and of repayment plans and other means to avoid default.
- If servicers can talk to these borrowers they almost always can find a solution to avoid default. The challenge is to reach borrowers and the TCPA's auto-dialer restriction is an unnecessary barrier.
- Default collection contact attempts are also designed to educate the defaulted student loan borrower on the unique federal array of payment restructuring and/or loan discharge options that can save them considerable money and even result in the removal of the default record from their credit bureau reports¹.
- The TCPA's prior express consent exception is not helpful for borrowers who are delinquent or have defaulted on their student loans and need to communicate with their servicers to understand and take advantage of the many tools available to provide relief.
- The President's FY15 Budget includes a proposal to clarify that the use of automatic dialing systems and prerecorded voice messages is allowed when contacting wireless phones in the collection of debt owed to or granted by the United States. In this time of fiscal constraint, the Administration believes that the Federal Government should ensure that all debt owed to the United States is collected as quickly and efficiently as possible and this provision could result in the collection of millions of defaulted debt. While protections against abuse and harassment are appropriate, changing technology should not absolve these citizens from paying back the debt they owe their fellow citizens. The proposal would also allow the Federal Communications Commission to implement rules to protect consumers from being harassed and contacted unreasonably. **OMB estimates that this will result in PAYGO savings of \$120 million over 10 years. The actual amount could be significantly higher.**

The National Council of Higher Education Resources (NCHER) strongly supports this provision of the President's Budget proposal and urges the passage of appropriate implementing legislation.

- **Creditors and their servicing and collection partners should be permitted to use predictive dialers and prerecorded messages when attempting to contact student loan borrowers.**
- **The FCC should be directed to allow use of these new technologies to contact borrowers.**
- **It is possible to include protections for borrowers as part of any measure allowing the use of 21st Century technologies.**

¹ For example, the defaulted borrower may qualify for a rehabilitation program, or for discharge of the debt under various federal program provisions. The information sought to be provided to the student loan borrower, and often mandated under the federal program, serves to educate and provide helpful options and assistance and differs greatly from the "unwanted" calls commonly associated with the telemarketing activity regulated under the TCPA.

FISCAL YEAR 2015

BUDGET

OF THE U.S. GOVERNMENT



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SUMMARY TABLES

FISCAL YEAR 2015

ANALYTICAL PERSPECTIVES

BUDGET OF THE U.S. GOVERNMENT



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BUDGET CONCEPTS AND BUDGET PROCESS

State, and local prisoner data. Recent legislation has expanded the information the prisons are required to report to SSA to include release dates, making the system more valuable to users. The PUPS data will help prevent prisoners from illegally receiving unemployment compensation.

Improve Treasury Debt Collection.—The Budget includes four proposals that would increase collections of delinquent debt:

- **Increase levy authority for payments to Medicare providers with delinquent tax debt.**—The Budget proposes a change to the Department of the Treasury's debt collection procedures that will increase the amount of delinquent taxes collected from Medicare providers. Through the Federal Payment Levy Program, Treasury deducts (levies) a portion of a Government payment to an individual or business in order to collect unpaid taxes. Pursuant to the Medicare Improvements for Patients and Providers Act of 2008, Medicare provider and supplier payments are included in the Federal Payment Levy Program, whereby Treasury is authorized to continuously levy up to 15 percent of a payment to a Medicare provider in order to collect delinquent tax debt. The Budget proposal will allow Treasury to levy up to 100 percent of a payment to a Medicare provider to collect unpaid taxes. This proposal would result in PAYGO savings of \$743 million over ten years.
- **Provide authority to contact delinquent debtors via their cell phones.**—The Budget proposes to clarify that the use of automatic dialing systems and prerecorded voice messages is allowed when contacting wireless phones in the collection of debt owed to or granted by the United States. In this time of fiscal constraint, the Administration believes that the Federal Government should ensure that all debt owed to the United States is collected as quickly and efficiently as possible and this provision could result in millions of defaulted debt being collected. While protections against abuse and harassment are appropriate, changing technology should not absolve these citizens from paying back the debt they owe their fellow citizens. The proposal would also allow the Federal Communications Commission to implement rules to protect consumers from being harassed and contacted unreasonably. This proposal would result in PAYGO savings of \$120 million over 10 years.
- **Authorize Treasury to locate and recover assets of the United States and to retain a portion of amounts collected to pay for the cost of recovery.**—States and other entities hold assets in the name of the United States or in the name of departments, agencies and other subdivisions of the Federal Government. Many agencies are not recovering these assets due to lack of expertise and funding. Under current authority, Treasury collects delinquent debts owed to the United States and retains

a portion of collections, which is the sole source of funding for its debt collection operations. While unclaimed Federal assets are generally not considered to be delinquent debts, Treasury's debt collection operations personnel have the skills and training to recover these assets. The Budget proposes to authorize Treasury to use its resources to recover assets of the United States. This proposal would result in PAYGO savings of \$30 million over 10 years.

- **Increase delinquent Federal non-tax debt collections. Authorize administrative bank garnishment for non-tax debts of commercial entities.**—Allow Federal agencies to collect non-tax debt by garnishing the bank and other financial institution accounts of delinquent commercial debtors without a court order and after providing full administrative due process. The Budget proposes to direct the Secretary of the Treasury to issue government-wide regulations implementing the authority of bank garnishment for non-tax debts of commercial entities. Bank garnishment orders under this authority would be subject to Treasury's rule (31 CFR 212) protecting exempt benefit payments from garnishment. To reach income of commercial entities and other non-wage income and funds available to commercial debtors owing delinquent non-tax obligations to the United States, this proposal would authorize agencies to issue garnishment orders to financial institutions without a court order. Agencies would be required to provide debtors with appropriate administrative due process and other protections to ensure that debtors have had the full opportunity to contest the debts and/or enter into repayment agreements to avoid issuance of an order. The Internal Revenue Service currently has similar authority to collect Federal tax debts. The Debt Collection Improvement Act of 1996 (DCIA) authorized Federal agencies to collect delinquent non-tax debt by garnishing the wages of debtors without the need to first obtain a court order. Since July 2001, the U.S. Department of the Treasury's Bureau of the Fiscal Service has collected \$131.6 million in garnished wages (as of April 30, 2013) on behalf of Federal agencies. This proposal would result in estimated savings of \$320 million over 10 years in commercial debts.

Improve Collection of Pension Information from States and Localities.—The Budget re-proposes legislation that would improve reporting for non-covered pensions by including up to \$70 million for administrative expenses, \$50 million of which would be available to the States, to develop a mechanism so that the Social Security Administration could enforce the offsets for non-covered employment, Windfall Elimination Provision (WEP), and Government Pension Offset (GPO). The proposal would require State and local governments to provide information on their noncovered pension payments to SSA so that the agency can apply the WEP and GPO adjustments. Under current law, the WEP and GPO adjustments are

Table 11-3. MANDATORY AND RECEIPT SAVINGS FROM OTHER PROGRAM INTEGRITY INITIATIVES

(Receipts and outlays in millions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	10-year total
Department of Health and Human Services:											
Cut Waste, Fraud, and Abuse in Medicare and Medicaid ¹	6	-43	-63	-72	-82	-91	-91	-100	-99	-99	-744
Cut Waste, Fraud, and Abuse in Medicare and Medicaid (non-PAYGO) ¹	-6	-15	-23	-34	-43	-43	-44	-45	-47	-48	-348
Department of Labor:											
Implement Unemployment Insurance Integrity	-5	-9	-14	-15	-15	-16	-16	-17	-18	-18	-143
Implement Unemployment Insurance Integrity (non-PAYGO receipt effect)				2	3	5	5	7	7	8	37
Cross-Match Prisoner Data for Improper Payments	-4	-8	-9	-9	-9	-9	-10	-10	-10	-11	-89
Cross-Match Prisoner Data for Improper Payments (non-PAYGO receipt effect)				1	2	2	3	4	4	5	21
Department of the Treasury:											
Increase levy authority for payments to Medicare providers with delinquent tax debt (receipt effect)	-50	-71	-74	-76	-76	-77	-78	-80	-80	-81	-743
Provide authority to contact delinquent debtors via their cell phones	-12	-12	-12	-12	-12	-12	-12	-12	-12	-12	-120
Authorize Treasury to locate and recover assets of the United States and to retain a portion of amounts collected to pay for the cost of recovery	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-30
Increase delinquent Federal non-tax debt collection	-32	-32	-32	-32	-32	-32	-32	-32	-32	-32	-320
Social Security Administration:											
Improve Collection of Pension Information from States and Localities	70										70
Improve Collection of Pension Information from States and Localities (non-PAYGO)	-52	28	24	-307	-675	-907	-986	-935	-924	-905	-5,639
Reconcile OPM/SSA retroactive disability payments	6										6
Office of Personnel Management:											
Reconcile OPM/SSA retroactive disability payments			-38	-41	-41	-41	-41	-41	-41	-41	-325
Total, Mandatory and Receipt Savings	-82	-165	-244	-598	-993	-1,224	-1,305	-1,264	-1,255	-1,237	-8,367
PAYGO Savings	-24	-178	-245	-260	-280	-281	-283	-295	-295	-297	-2,438
Non-PAYGO Savings	-58	13	1	-338	-713	-943	-1,022	-969	-960	-940	-5,929

¹ Savings estimates may not include all interactions.

dependent on self-reported pension data and cannot be independently verified. This proposal would result in savings in the Old-Age, Survivors, and Disability Insurance program of more than \$5.6 billion over 10 years, which would be scored as non-PAYGO savings because the program is off-budget.

Coordination of Disability Benefit Payments between the Office of Personnel Management (OPM) and SSA through Automation.—The Budget proposes legislation to provide SSA with authority to automate coordination of disability benefit payments with OPM, which would substantially reduce OPM overpayments. This proposal would result in PAYGO savings of \$325 million over 10 years. In addition, SSA is provided \$6 million in 2015 to administer the coordination effort.

Other Program Integrity Initiatives.

Leveraging Technology to Reduce Improper Payments.—Under this Administration, the Federal Government has focused on increased use of technology to address improper payments. First, under EO 13520, work groups were created to analyze the role that cutting-edge forensic technologies could play in identifying and preventing fraud and other improper payments, as well as efforts that could be undertaken to improve data sharing between agencies. Second, the 2012 Budget re-

quested, and the Consolidated Appropriations Act, 2012 appropriated \$10 million to support expansion of the “Do Not Pay” list—created by a Presidential memorandum issued June 18, 2010—and to add forensic fraud detection capabilities to the basic “Do Not Pay” portal. Specifically, the funding helped to expand the number of databases and infrastructure of the “Do Not Pay” list, to procure the detection technology and hire staff to support an operations center to analyze fraud patterns utilizing public and private-sector information, and to refer potential issues to agency management and the relevant agency Inspector General. Third, to enhance data sharing, the President issued a memorandum that directed that a single portal be established through which agencies could check multiple eligibility databases before making an award or payment, and in November 2010, OMB released a memorandum that encouraged agencies to share high-value data that can be used to support important Administration initiatives, including preventing improper payments.

When the President signed into law the Improper Payments and Elimination and Recovery Improvement Act of 2012 (IPERIA; P.L. 112-248), he reinforced the Administration’s “Do Not Pay Initiative” already underway. Spearheaded by the Department of the Treasury, the Do Not Pay system contains an online portal that enables Federal Government officials to access information from